		FOR OHF USE					

LL1

2004
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2004)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0033589

Facility Name: Kenwood Healthcare Center

Address: 6125 Kenwood Ave. (Number) Chicago (City) 60637 (Zip Code)

County: Cook

Telephone Number: (773) 752-6000 **Fax #** (773) 752-4857

IDPA ID Number: 363559960001

Date of Initial License for Current Owners: 04/01/1986

Type of Ownership:

	VOLUNTARY,NON-PROFIT	X	PROPRIETARY		GOVERNMENTAL
	Charitable Corp.		Individual		State
	Trust		Partnership		County
IRS Exemption Code			Corporation		Other
		X	"Sub-S" Corp.		
			Limited Liability Co.		
			Trust		
			Other		

In the event there are further questions about this report, please contact:
Name: Charles J. Fischer **Telephone Number:** (312) 634-4580
Please send copies of desk review and audit adjustments to address on this page

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/04 to 12/31/04 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider	(Signed)	(Date)
	(Type or Print Name)	
	(Title)	
Paid Preparer	(Signed)	SEE ACCOUNTANTS' COMPILATION REPORT (Date)
	(Print Name and Title)	
	(Firm Name & Address)	Altschuler, Melvoin and Glasser LLP One South Wacker Drive, Suite 800, Chicago, IL 60606
	(Telephone)	(312) 384-6000 Fax # (312) 634-5518

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001 **Phone # (217) 782-1630**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds N/A

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1	128	Skilled (SNF)	128	46,848	1
2		Skilled Pediatric (SNF/PED)			2
3	190	Intermediate (ICF)	190	69,540	3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	318	TOTALS	318	116,388	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Public Aid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF	7,537	23	1,638	9,198	8
9	SNF/PED					9
10	ICF	77,332	1,035	24	78,391	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	84,869	1,058	1,662	87,589	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 75.26%

D. How many bed-hold days during this year were paid by Public Aid?
None (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)
None

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [X] NO [ ] Non-allowable costs have been eliminated in Schedule V, Column 7.

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES [ ] NO [X]

I. On what date did you start providing long term care at this location?
Date started 04/01/1988

J. Was the facility purchased or leased after January 1, 1978?
YES [X] Date 04/01/1988 NO [ ]

K. Was the facility certified for Medicare during the reporting year?
YES [ ] NO [ ] If YES, enter number of beds certified 64 and days of care provided 1,589

Medicare Intermediary Mutual of Omaha

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

Tax Year: 12/31/04 Fiscal Year: 12/31/04

* All facilities other than governmental must report on the accrual basis.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger Salary/Wage 1	Supplies 2	Other 3	Total 4	Reclass-ification 5	Reclassified Total 6	Adjust-ments 7**	Adjusted Total 8	FOR OHF USE ONLY 9	10	
	A. General Services											
1	Dietary	477,577	31,193	5,399	514,169		514,169		514,169			1
2	Food Purchase		478,898		478,898		478,898	(14,309)	464,589			2
3	Housekeeping	412,886	80,372		493,258		493,258	181	493,439			3
4	Laundry	143,792	24,666		168,458		168,458		168,458			4
5	Heat and Other Utilities			260,654	260,654		260,654	3,942	264,596			5
6	Maintenance	127,703	101,652	20,277	249,632		249,632	1,120	250,752			6
7	Other (specify):*											7
8	**TOTAL General Services**	1,161,958	716,781	286,330	2,165,069		2,165,069	(9,066)	2,156,003			8
	B. Health Care and Programs											
9	Medical Director			6,000	6,000		6,000		6,000			9
10	Nursing and Medical Records	2,192,157	23,625	21,397	2,237,179		2,237,179	1,920	2,239,099			10
10a	Therapy			233,403	233,403		233,403		233,403			10a
11	Activities	133,193	3,041		136,234		136,234		136,234			11
12	Social Services	162,513			162,513		162,513		162,513			12
13	Nurse Aide Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	**TOTAL Health Care and Programs**	2,487,863	26,666	260,800	2,775,329		2,775,329	1,920	2,777,249			16
	C. General Administration											
17	Administrative	90,690		741,000	831,690		831,690	(309,579)	522,111			17
18	Directors Fees											18
19	Professional Services			46,618	46,618		46,618	25,054	71,672			19
20	Dues, Fees, Subscriptions & Promotions			13,075	13,075		13,075	265	13,340			20
21	Clerical & General Office Expenses	778,518		104,837	883,355		883,355	168,341	1,051,696			21
22	Employee Benefits & Payroll Taxes			589,034	589,034		589,034	8,081	597,115			22
23	Inservice Training & Education											23
24	Travel and Seminar			2,140	2,140		2,140	166	2,306			24
25	Other Admin. Staff Transportation			27,253	27,253		27,253	563	27,816			25
26	Insurance-Prop.Liab.Malpractice			34,560	34,560		34,560	2,666	37,226			26
27	Other (specify):* SW Alloc-Benefits							28,986	28,986			27
28	**TOTAL General Administration**	869,208		1,558,517	2,427,725		2,427,725	(75,457)	2,352,268			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	4,519,029	743,447	2,105,647	7,368,123		7,368,123	(82,603)	7,285,520			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000. SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Kenwood Healthcare Center #0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

V. COST CENTER EXPENSES (continued)

		Cost Per General Ledger				Reclass-	Reclassified	Adjust-	Adjusted	FOR OHF USE ONLY		
	Capital Expense	Salary/Wage	Supplies	Other	Total	ification	Total	ments	Total			
	D. Ownership	1	2	3	4	5	6	7**	8	9	10	
30	Depreciation			115,861	115,861		115,861	193,810	309,671			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			854	854		854	135,907	136,761			32
33	Real Estate Taxes			327,915	327,915		327,915	18,189	346,104			33
34	Rent-Facility & Grounds			986,592	986,592		986,592	(986,592)				34
35	Rent-Equipment & Vehicles			16,159	16,159		16,159	2,950	19,109			35
36	Other (specify):*											36
37	**TOTAL Ownership**			1,447,381	1,447,381		1,447,381	(635,736)	811,645			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		31,839		31,839		31,839		31,839			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			174,582	174,582		174,582		174,582			42
43	Other (specify):* Nonallowable Costs			99,371	99,371		99,371	(99,371)				43
44	**TOTAL Special Cost Centers**		31,839	273,953	305,792		305,792	(99,371)	206,421			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	4,519,029	775,286	3,826,981	9,121,296		9,121,296	(817,710)	8,303,586			45

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

****See schedule of adjustments attached at end of cost report.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer-ence	3 OHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(89,793)	30		9
10	Interest and Other Investment Income	(100,685)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(159)	43		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties	(52,779)	43		18
19	Entertainment				19
20	Contributions	(650)	43		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(8,250)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(16,629)	43		24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax	(23,560)	43		26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising	(1,580)	43		28
29	Other-Attach Schedule See Schedule 5A	(4,464)			29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (298,549)		$	30

OHF USE ONLY								
48		49		50		51		52

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(519,161)		34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ (519,161)		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (817,710)		37

***These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.**

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		x	$		38
39						39
40	Gift and Coffee Shops		x			40
41	Barber and Beauty Shops		x			41
42	Laboratory and Radiology		x			42
43	Prescription Drugs		x			43
44	Exceptional Care Program		x			44
45	Other-Attach Schedule		x			45
46	Other-Attach Schedule		x			46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

SEE ACCOUNTANTS' COMPILATION REPORT

Kenwood Healthcare Center
Provider #: 0033589
01/01/04 to 12/31/04 **Schedule 5A**

VI. Adjustment Detail
Line 29 - Other

Non-allowable expenses	Amount	Reference
Disallow Lab Expense	(2,966)	43
Disallow X-Ray Expense	(948)	43
Disallow Trust Fees	(100)	43
Offset Vending Income	(450)	27
	(4,464)	

SEE ACCOUNTANTS' COMPILATION REPORT

Kenwood Healthcare Center

ID# 0033589

Report Period Beginning: 01/01/04

Ending: 12/31/04

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1		$		1
2				2
3				3
4				4
5				5
6				6
7				7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	0		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Kenwood Healthcare Center # 0033589 **Report Period Beginning:** 01/01/04 **Ending:** 12/31/04

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	0	0	95	(5,873)	0	0	0	0	0	0	0	(5,778)	2
3	Housekeeping	0	0	181	0	0	0	0	0	0	0	0	181	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	0	3,942	0	0	0	0	0	0	0	0	3,942	5
6	Maintenance	0	0	1,120	0	0	0	0	0	0	0	0	1,120	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	**TOTAL General Services**	0	0	5,338	(5,873)	0	0	0	0	0	0	0	(535)	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	1,920	0	0	0	0	0	0	0	1,920	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	**TOTAL Health Care and Programs**	0	0	0	1,920	0	0	0	0	0	0	0	1,920	16
	C. General Administration													
17	Administrative	0	0	(309,579)	0	0	0	0	0	0	0	0	(309,579)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(8,250)	1,528	41,744	0	0	0	0	0	0	0	0	35,022	19
20	Fees, Subscriptions & Promotions	0	0	199	0	0	0	0	0	0	0	0	199	20
21	Clerical & General Office Expenses	0	465	167,876	0	0	0	0	0	0	0	0	168,341	21
22	Employee Benefits & Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	166	0	0	0	0	0	0	0	0	166	24
25	Other Admin. Staff Transportation	0	0	563	0	0	0	0	0	0	0	0	563	25
26	Insurance-Prop.Liab.Malpractice	0	0	2,666	0	0	0	0	0	0	0	0	2,666	26
27	Other (specify):*	0	0	28,986	0	0	0	0	0	0	0	0	28,986	27
28	**TOTAL General Administration**	(8,250)	1,993	(67,379)	0	0	0	0	0	0	0	0	(73,636)	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(8,250)	1,993	(62,041)	(3,953)	0	0	0	0	0	0	0	(72,251)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Kenwood Healthcare Center # 0033589 **Report Period Beginning:** 01/01/04 **Ending:** 12/31/04

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
30	Depreciation	(89,793)	276,078	7,525	0	0	0	0	0	0	0	0	193,810	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(100,685)	234,113	2,479	0	0	0	0	0	0	0	0	135,907	32
33	Real Estate Taxes	0	0	8,287	0	0	0	0	0	0	0	0	8,287	33
34	Rent-Facility & Grounds	0	(986,592)	0	0	0	0	0	0	0	0	0	(986,592)	34
35	Rent-Equipment & Vehicles	0	0	2,950	0	0	0	0	0	0	0	0	2,950	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(190,478)	(476,401)	21,241	0	0	0	0	0	0	0	0	(645,638)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	(95,357)	0	0	0	0	0	0	0	0	0	0	(95,357)	43
44	TOTAL Special Cost Centers	(95,357)	0	0	0	0	0	0	0	0	0	0	(95,357)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(294,085)	(474,408)	(40,800)	(3,953)	0	0	0	0	0	0	0	(813,246)	45

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
See Attached Schedule 6A		See Attached Schedule 6B		See Attached Schedule 6B		

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	19	Professional Services	$	KTNC Associates	100.00%	$ 1,528	$ 1,528	1
2	V	21	Clerical & General Office Exp.		KTNC Associates	100.00%	465	465	2
3	V	30	Depreciation		KTNC Associates	100.00%	276,078	276,078	3
4	V	32	Interest		KTNC Associates	100.00%	234,113	234,113	4
5	V	34	Rent - Facility & Grounds	986,592	KTNC Associates	100.00%		(986,592)	5
6	V								6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			$ 986,592			$ 512,184	$ * (474,408)	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Kenwood Healthcare Center
Provider #0033589
12/31/2004

Schedule 6B

VII Related Parties - Page 6

Related Nursing Homes	City
In-State:	
Cahokia Nursing and Rehab	Cahokia
Caseyville Nursing and Rehab	Caseyville
Franklin Grove Nursing Center	Franklin Grove
Kenwood Healthcare Center	Chicago
Oregon Healthcare Center	Oregon
Shabbona Healthcare Center	Shabbona
Tower Hill Healthcare Center	South Elgin
Virgil Calvert Nursing and Rehab	East St. Louis
Out-of-State:	
St. Elizabeth Healthcare Center	Florissant, MO

Other Related Business Entities		
S.W. Management Co.	Skokie	Bookkeeping/Management Company
S&E Medical Supply Co.	Skokie	Medical Supplies
* SFO Associates	Skokie	Finance Company
** Unity Hospice	Skokie	Hospice Services

* This entity only relates to Shabbona Healthcare Center, Franklin Grove Nursing Center, and Oregon Healthcare Center.

** Pages 6 and 8 are not required for this entity since there was no payment from the nursing homes to the related entity.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	2	Food	$	S.W. Management Co.	100.00%	$ 95	$ 95	15
16	V	3	Housekeeping		S.W. Management Co.	100.00%	181	181	16
17	V	5	Utilities		S.W. Management Co.	100.00%	3,942	3,942	17
18	V	6	Maintenance		S.W. Management Co.	100.00%	1,120	1,120	18
19	V	17	Administrative - Salaries	531,000	S.W. Management Co.	100.00%	221,421	(309,579)	19
20	V	19	Professional Services		S.W. Management Co.	100.00%	41,744	41,744	20
21	V	20	Dues, Fees, Subs & Promotions		S.W. Management Co.	100.00%	199	199	21
22	V	21	Clerical & General Office Exp.		S.W. Management Co.	100.00%	11,709	11,709	22
23	V	21	Clerical - Salaries		S.W. Management Co.	100.00%	156,167	156,167	23
24	V	24	Travel and Seminar		S.W. Management Co.	100.00%	166	166	24
25	V	25	Other Admin. Staff Transport.		S.W. Management Co.	100.00%	563	563	25
26	V	26	Insurance-Prop, Liab & Malp.		S.W. Management Co.	100.00%	2,666	2,666	26
27	V	27	Mgmt. Allocation of Benefits		S.W. Management Co.	100.00%	28,986	28,986	27
28	V	30	Depreciation		S.W. Management Co.	100.00%	7,525	7,525	28
29	V	32	Interest		S.W. Management Co.	100.00%	2,479	2,479	29
30	V	33	Real Estate Taxes		S.W. Management Co.	100.00%	8,287	8,287	30
31	V	35	Rent-Equipment & Vehicles		S.W. Management Co.	100.00%	2,950	2,950	31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 531,000			$ 490,200	$ * (40,800)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	2	Food	$ 28,553	S & E Medical Supply Co.	100.00%	$ 22,680	$ (5,873)	15
16	V	3	Housekeeping	17,488	S & E Medical Supply Co.	100.00%	17,488		16
17	V	10	Medical Supplies	5,381	S & E Medical Supply Co.	100.00%	7,301	1,920	17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 51,422			$ 47,469	$ * (3,953)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1	2	3	4	5	6		7		8	
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		Compensation Included in Costs for this Reporting Period**		Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Sheldon Wolfe	President	Administrative	29.88	See Schedule 7A	12	30.00	Salary	$ 221,421	L17,C7	1
2	Ronnie Klein	COO	Administrative	6.92	See Schedule 7B	20	50.00	Salary&Fees	241,154	17,3 & 21,7	2
3	Moshe Herman	CFO	Administrative	0.00	See Schedule 7C	8.8	22.00	Salary	36,115	L21,C7	3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	$ 498,690		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

Kenwood Healthcare Center
Provider #0033589
12/31/2004
Sheldon Wolfe **Schedule 7A**

VII. Related Parties
C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors

	Weighted Average Hours Worked	Salary from S.W. Management	Fees from Facility	Total Compensation
Cahokia Nursing and Rehab	3	$ 55,355		$ 55,355
Caseyville Nursing and Rehab	3	55,355		55,355
Franklin Grove Nursing Center	3	55,355		55,355
Kenwood Healthcare Center	12	221,421		221,421
Oregon Healthcare Center	3	55,355		55,355
Shabbona Healthcare Center	4	73,807		73,807
Tower Hill Healthcare Center	4	73,807		73,807
Virgil Calvert Nursing and Rehab	3	55,355		55,355
St. Elizabeth Healthcare Center	1	18,452		18,452
Other	4	73,807		73,807
	40	$ 738,071		$ 738,071

SEE ACCOUNTANTS' COMPILATION REPORT

Kenwood Healthcare Center
Provider #0033589
12/31/2004
Ronnie Klein **Schedule 7B**

VII. Related Parties
C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors

	Weighted Average Hours Worked	Salary from S.W. Management	Fees from Facility	Total Compensation
Cahokia Nursing and Rehab	3.5	$ 5,452	$ 60,000	$ 65,452
Caseyville Nursing and Rehab	3.5	5,452	60,000	65,452
Franklin Grove Nursing Center	5	7,788	90,000	97,788
Kenwood Healthcare Center	20	31,154	210,000	241,154
Oregon Healthcare Center	3.5	5,452	60,000	65,452
Shabbona Healthcare Center	0	-		-
Tower Hill Healthcare Center	0	-		-
Virgil Calvert Nursing and Rehab	4	6,231	60,000	66,231
St. Elizabeth Healthcare Center	0.5	779		779
Other	0	-		-
	40	$ 62,307	$ 540,000	$ 602,307

SEE ACCOUNTANTS' COMPILATION REPORT

Kenwood Healthcare Center
Provider #0033589
12/31/2004
Moshe Herman **Schedule 7C**

VII. Related Parties
C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors

	Weighted Average Hours Worked	Salary from S.W. Management	Fees from Facility	Total Compensation
Cahokia Nursing and Rehab	4.2	$ 17,237		$ 17,237
Caseyville Nursing and Rehab	4.2	17,237		17,237
Franklin Grove Nursing Center	3.4	13,954		13,954
Kenwood Healthcare Center	8.8	36,115		36,115
Oregon Healthcare Center	2.8	11,491		11,491
Shabbona Healthcare Center	2.5	10,260		10,260
Tower Hill Healthcare Center	5.7	23,393		23,393
Virgil Calvert Nursing and Rehab	4.2	17,237		17,237
St. Elizabeth Healthcare Center	4.2	17,237		17,237
Other	0	-		-
	40	$ 164,160		$ 164,160

SEE ACCOUNTANTS' COMPILATION REPORT

s

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: S.W. Management Co.
Street Address: 7434 N. Skokie Blvd.
City / State / Zip Code: Skokie, IL 60077
Phone Number: (847) 982-2300
Fax Number: (847) 982-2304

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	2	Food	Bed Days Available	527,040	9	$ 429	$	116,388	$ 95	1
2	3	Housekeeping	Bed Days Available	527,040	9	820		116,388	181	2
3	5	Utilities	Bed Days Available	527,040	9	17,851		116,388	3,942	3
4	6	Maintenance	Bed Days Available	527,040	9	5,071		116,388	1,120	4
5	19	Professional Services	Bed Days Available	527,040	9	189,030		116,388	41,744	5
6	20	Dues, Fees, Subs & Promotions	Bed Days Available	527,040	9	900		116,388	199	6
7	21	Clerical & General Office Exp.	Bed Days Available	527,040	9	53,022		116,388	11,709	7
8	21	Clerical - Salaries	Bed Days Available	527,040	9	566,095	566,095	116,388	125,013	8
9	24	Travel and Seminar	Bed Days Available	527,040	9	751		116,388	166	9
10	25	Other Admin. Staff Transport.	Bed Days Available	527,040	9	2,548		116,388	563	10
11	26	Insurance-Prop, Liab & Malp.	Bed Days Available	527,040	9	12,072		116,388	2,666	11
12	27	Mgmt. Allocation of Benefits	Bed Days Available	527,040	9	131,259		116,388	28,986	12
13	32	Interest	Bed Days Available	527,040	9	11,228		116,388	2,479	13
14	33	Real Estate Taxes	Bed Days Available	527,040	9	37,528		116,388	8,287	14
15	35	Rent-Equipment & Vehicles	Bed Days Available	527,040	9	13,358		116,388	2,950	15
16										16
17	17	Administrative - Salaries	Avg. Hours Worked	40	9	738,071	738,071	12	221,421	17
18	21	Clerical - Salaries	Avg. Hours Worked	40	7	62,307	62,307	20	31,154	18
19										19
20	30	Depreciation	Direct Cost						7,525	20
21										21
22										22
23										23
24										24
25	TOTALS					$ 1,842,340	$ 1,366,473		$ 490,200	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: S & E Medical Supply Co.
Street Address: 3100 Commercial Avenue
City / State / Zip Code: Northbrook, IL 60062
Phone Number: (847) 982-9300
Fax Number: ( )

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	2	Food	Direct Cost			$	$		$ 22,680	1
2	3	Housekeeping	Direct Cost						17,488	2
3	10	Medical Supplies	Direct Cost						7,301	3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$	$		$ 47,469	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related											
	Long-Term											
1	LaSalle Bank		X	Mortgage	$49,744.15	9/23/99	$ 4,000,000	$ 2,396,845	9/1/08	0.0800	$ 224,332	1
2												2
3												3
4												4
5												5
	Working Capital											
6	Bank One		X	Line of Credit			500,000	500,000		0.0525	854	6
7												7
8												8
9	TOTAL Facility Related				$49,744.15		$ 4,500,000	$ 2,896,845			$ 225,186	9
	B. Non-Facility Related*											
10								Interest income offset			(100,685)	10
11								Amortization of mortgage costs			9,781	11
12								Allocation From Mgmt. Co. - Mortgage			2,479	12
13												13
14	TOTAL Non-Facility Related						$	$			$ (88,425)	14
15	TOTALS (line 9+line14)						$ 4,500,000	$ 2,896,845			$ 136,761	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. $ N/A Line # N/A

*** Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)**

SEE ACCOUNTANTS' COMPILATION REPORT

**** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)**

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.

1. Real Estate Tax accrual used on 2003 report.		$ 448,781	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	2003	$ 376,696	2
3. Under or (over) accrual (line 2 minus line 1).		$ (72,085)	3
4. Real Estate Tax accrual used for 2004 report. (Detail and explain your calculation of this accrual on the lines below.)		$ 400,000	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)		$ 9,902	5
Allocated from Management Co.		8,287	
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND $ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)		$	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.		$ 346,104	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:		
1999	83,583	8
2000	411,957	9
2001	422,671	10
2002	427,410	11
2003	376,696	12

2004 Accrual	2003 Tax=	376,696
Percentage		X 1.05
		395,531
Use		400,000

FOR OHF USE ONLY

13	FROM R. E. TAX STATEMENT FOR 2003	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. **Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.**
2. **If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.**
   This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2003 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2003 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2003.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2003 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2004 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions,

2003 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Kenwood Healthcare Cente COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0033589

CONTACT PERSON REGARDING THIS REPORT Sheldon Wolfe

TELEPHONE (847) 982-2300 FAX #: (847) 982-2304

A. **Summary of Real Estate Tax Cos**

Enter the tax index number and real estate tax assessed for 2003 on the lines provided below. Enter only the portion of tl cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursir home property which is vacant, rented to other organizations, or used for purposes other than long term care must not l entered in Column D. Do not include cost for any period other than calendar year 200

	(A) Tax Index Numbe	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	20-14-408-017-0000	Long-term care property	$ 1,152.60	$ 1,152.60
2.	20-14-408-015-0000	Long-term care property	$ 2,399.83	$ 2,399.83
3.	20-14-409-005-0000	Long-term care property	$ 278,247.00	$ 278,247.00
4.	20-14-408-016-0000	Long-term care property	$ 2,268.21	$ 2,268.21
5.	20-14-409-004-0000	Long-term care property	$ 92,627.87	$ 92,627.87
6.	10-28-412-049-000	Allocated from SW Management	$ 38,970.00	$ 8,287.00
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 415,665.51	$ 384,982.51

B. **Real Estate Tax Cost Allocations**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not direct used for nursing home services? ____ YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing hom (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used

C. **Tax Bills**

Attach a copy of the original 2003 tax bills which were listed in Section A to this statement. Be sure to use the 200 tax bill which is normally paid during 2004

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: _____ B. General Construction Type: Exterior _____ Frame _____ Number of Stories Six

C. Does the Operating Entity? [ ] (a) Own the Facility [X] (b) Rent from a Related Organization. [ ] (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.

D. Does the Operating Entity? [X] (a) Own the Equipment [X] (b) Rent equipment from a Related Organization. [X] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable)

None

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] NO
If so, please complete the following:

1. Total Amount Incurred: _____ 2. Number of Years Over Which it is Being Amortized: _____

3. Current Period Amortization: _____ 4. Dates Incurred: _____

Nature of Costs: _____
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Resident Care		1991	$ 70,784	1
2	Resident Care		1997	265,000	2
3	TOTALS			$ 335,784	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	318		1986		$ 5,300,000	$	35	$ 151,429	$ 151,429	$ 5,047,193	4
5											5
6	Allocated From Management Co.		1995		95,584		39	2,731	2,731	26,367	6
7											7
8											8
	Improvement Type**										
9	Various			1987	643		20	32	32	595	9
10	Various			1989	5,500		20	275	275	4,331	10
11	Various			1990	46,719		20	633	633	45,185	11
12	Various			1991	7,602		20	380	380	5,048	12
13	Various			1992	80,208		20	3,913	3,913	48,585	13
14	Various			1993	325,411		20	16,557	16,557	188,011	14
15	Various			1994	35,487		20	2,715	2,715	29,683	15
16	Various			1995	66,379		20	3,318	3,318	32,492	16
17	Various			1996	72,786		20	3,640	3,640	31,733	17
18	Various			1997	200,247		20	10,012	10,012	78,378	18
19	Various			1998	65,468	2,723	20	3,274	551	23,894	19
20	Various			1999	54,327	1,796	20	2,716	920	15,964	20
21	Wall Guard			2000	1,498		20	75	75	344	21
22	Elevator Repair			2000	1,800		20	90	90	428	22
23	Window Treatment			2000	1,020	118	20	51	(67)	221	23
24	Wallpaper			2000	883	102	20	44	(58)	209	24
25	Wallpaper			2000	1,196	138	20	60	(78)	285	25
26	Wallpaper			2000	1,470	169	20	74	(95)	350	26
27	Wallpaper			2000	3,324	383	20	166	(217)	789	27
28	Wallpaper			2000	21,712	2,501	20	1,086	(1,415)	5,158	28
29	Wallpaper			2000	825	95	20	41	(54)	196	29
30	Mini-Blinds			2000	65	7	20	3	(4)	15	30
31	Wallpaper			2000	2,081	240	20	104	(136)	494	31
32	Wallpaper			2000	4,663	537	20	233	(304)	1,107	32
33	Wallpaper			2000	1,099	126	20	55	(71)	257	33
34	Wallpaper			2000	3,146	363	20	157	(206)	734	34
35	Wallpaper			2000	1,451	167	20	73	(94)	340	35
36	Wallpaper			2000	826	95	20	41	(54)	192	36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete

See Page 12A, Line 70 for total

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37	Wallpaper	2000	$ 3,115	$ 359	20	$ 156	$ (203)	$ 689	37
38	Window Treatment	2000	18,430	2,123	20	922	(1,201)	4,070	38
39	Wallpaper Install	2000	63,355	7,298	20	3,168	(4,130)	13,728	39
40	Radiator	2000	5,900		20	295	295	1,303	40
41	Boilers	2000	4,514	59	20	226	167	997	41
42	Dishwasher Exhaust	2000	5,907		20	295	295	1,329	42
43	Elevator	2001	84,968	2,179	20	4,248	2,069	14,161	43
44	Wood Doors	2001	5,867	549	20	293	(256)	1,124	44
45	Carpeting	2001	4,657	570	20	233	(337)	796	45
46	Doors	2001	2,200	206	20	110	(96)	440	46
47	Door Locks	2001	1,115		20	56	56	210	47
48	Door Handles	2001	2,158		20	108	108	432	48
49	Valve	2001	2,657		20	133	133	488	49
50	Door Locks	2001	1,261		20	63	63	210	50
51	Door Locks	2001	1,960		20	98	98	302	51
52	Mechanical Equipment	2001	7,255		20	363	363	1,361	52
53	Electrical Breakers	2001	9,294		20	465	465	1,743	53
54	Sewage Pump	2001	8,495	917	20	425	(492)	1,523	54
55	Steamer	2001	14,992	2,051	20	750	(1,301)	2,437	55
56	3 Circuit Breaker	2001	2,400	328	20	120	(208)	380	56
57	Doors & Frames	2002	2,687	27	5	537	510	1,388	57
58	Drapes & Blinds	2002	1,022	137	10	102	(35)	272	58
59	Fire Alarm	2002	8,775	1,179	7	1,254	75	2,821	59
60	Fire Alarm	2002	4,100	551	7	586	35	1,465	60
61	Kitchen Plumbing	2002	3,150	423	5	630	207	1,680	61
62	Hot Water Heater	2002	6,300	847	12	525	(322)	1,356	62
63	Fire Protection	2002	3,333	448	7	476	28	1,270	63
64	Fire Stopping	2002	18,015	2,206	10	1,802	(404)	4,804	64
65	Sprinkler Hydraulic	2002	3,200	430	7	457	27	1,219	65
66	Elevator	2002	20,538	527	10	2,054	1,527	6,162	66
67	Plumbing	2002	2,617		10	262	262	698	67
68	Locks	2002	4,838		10	484	484	1,452	68
69	Elevator	2002	16,471		20	824	824	1,922	69
70	TOTAL (lines 4 thru 69)		$ 6,748,966	$ 32,974		$ 226,498	$ 193,524	$ 5,662,810	70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		$ 6,748,966	$ 32,974		$ 226,498	$ 193,524	$ 5,662,810	1
2	Carpeting	2003	4,606		20	230	230	460	2
3	Elevator	2003	50,950	1,306	20	2,548	1,242	6,368	3
4	Elevator	2003	15,286	392	20	764	372	1,528	4
5	85 Gal. Hot Water Heater	2003	8,745		20	437	437	2,186	5
6	Generator Repair	2003	1,396		20	70	70	111	6
7	Hot Water Heater Repair	2003	1,649		20	82	82	137	7
8	Roof Repair	2003	1,821		20	91	91	121	8
9	Telephone System Repair	2003	1,271		20	64	64	85	9
10	Door Locks	2003	1,261		20	63	63	79	10
11	Boiler Repair	2003	1,013		20	51	51	76	11
12	Tile	2004	3,078	59	20	59		59	12
13	Furnish and Install Doors	2004	2,584	50	20	77	27	77	13
14	Exit Devices, Pull Cylinders and Locks	2004	6,030	77	20	65	(12)	65	14
15	Wallpaper	2004	29,363	2,517	20	151	(2,366)	151	15
16	Generator	2004	118,100	1,514	20	734	(780)	734	16
17	Door	2004	1,200	13	20	2,952	2,939	2,952	17
18	Door	2004	1,000	11	20	30	19	30	18
19	Door	2004	1,200	13	20	25	12	25	19
20	Painting	2004	40,374	86	20	30	(56)	30	20
21	Painting	2004	8,623	55	20	1,009	954	1,009	21
22	Boiler and Storage Tank	2004	13,350	200	20	216	16	216	22
23	Sprinkler	2004	6,800	87	7	334	247	334	23
24	Damper for Generator	2004	2,580		20	170	170	170	24
25	Boiler and Storage	2004	13,350	143	20	64	(79)	64	25
26									26
27	Adjustment per Desk Review	2002	(7,800)						27
28									28
29	Allocated From Management Co. - leasehold improvements	1995	10,198		20	510	510	5,643	29
30	Allocated From Management Co. - leasehold improvements	1996	1,781		20	89	89	763	30
31	Allocated From Management Co. - leasehold improvements	1997	2,565		20	128	128	1,279	31
32	Allocated From Management Co. - leasehold improvements	1998	1,766		20	88	88	596	32
33	Allocated From Management Co. - leasehold improvements	1999	4,903		20	245	245	1,246	33
34	TOTAL (lines 1 thru 33)		$ 7,098,009	$ 39,497		$ 237,874	$ 198,377	$ 5,689,404	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 754,671	$ 73,612	$ 66,139	$ (7,473)	10	$ 546,911	71
72	Current Year Purchases	38,531	2,752	1,925	(827)	10	1,925	72
73	Fully Depreciated Assets	795,111				10	795,111	73
74	Allocated From Manaqgement Co.	24,686		2,453	2,453	10	21,025	74
75	TOTALS	$ 1,612,999	$ 76,364	$ 70,517	$ (5,847)		$ 1,364,972	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	Allocated From Mgmt. Co.	2004 Cadillac	2004	$ 12,800	$	$ 1,280	$ 1,280	5	$ 1,280	76
77										77
78										78
79										79
80	TOTALS			$ 12,800	$	$ 1,280	$ 1,280		$ 1,280	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 9,059,592	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 115,861	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 309,671	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ 193,810	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 7,055,656	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86	N/A	$	$	$	86
87					87
88					88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92	N/A	$	92
93			93
94			94
95		$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. ☐ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				$ N/A			3
4	Additions							4
5								5
6								6
7	TOTAL				$ **			7

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease .

9. Option to Buy: ☐ YES ☐ NO Terms: *

10. Effective dates of current rental agreement:
Beginning
Ending

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2005	$
13.	/2006	$
14.	/2007	$

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? ☐ YES ☐ NO

16. Rental Amount for movable equipment: $ N/A Description:
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	Facility	1998 Jaguar XJ8	$ #######	$ 1,246	17
18	Facility	2001 Lexus	564.00	6,768	18
19	Facility	2001 Jeep Cherokee	#######	8,145	19
20	Allocated from Management Co.			2,950	20
21	TOTAL		$ #######	$ 19,109	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XIII. EXPENSES RELATING TO NURSE AIDE TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?
   [ ] YES
   [X] NO

It is the policy of this facility to only hire certified nurses aides.

If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - COMMUNITY COLLEGE [ ]
   - HOURS PER AIDE ____

3. CLINICAL PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - HOURS PER AIDE ____

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	$	$	$	$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	$	$	$	$
10	SUM OF line 9, col. 1 and 2 (e)	$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

SEE ACCOUNTANTS' COMPILATION REPORT

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

	1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff Units of Service	Staff Cost	Outside Practitioner (other than consultant) Units	Outside Practitioner (other than consultant) Cost	Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
1	Licensed Occupational Therapist	L10A, C3	hrs	$	7,844	$ 115,230	$	7,844	$ 115,230	1
2	Licensed Speech and Language Development Therapist	L10A, C3	hrs		253	7,846		253	7,846	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	L10A, C3	hrs		8,081	108,846		8,081	108,846	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	L39, C2	# of prescrpts				31,839		31,839	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):									13
14	TOTAL			$	16,178	$ 231,922	$ 31,839	16,178	$ 263,761	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

Kenwood Healthcare Center
Provider #: 0033589
01/01/04 to 12/31/04 **Schedule 16A**

XIV. Special Services
Line 13 Other (specify):

Service	Line Reference	Outside Practioner Units	Cost	Supplies

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XV. BALANCE SHEET - Unrestricted Operating Fund. As of 12/31/04 (last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$ 1,500	$ 1,500	1
2	Cash-Patient Deposits	6,359	6,359	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	2,582,942	2,582,942	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	34,079	34,079	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): See Sch. 17A	2,061,149	2,059,129	9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 4,686,029	$ 4,684,009	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	70,784	335,784	13
14	Buildings, at Historical Cost		5,300,000	14
15	Leasehold Improvements, at Historical Cost	975,037	1,798,009	15
16	Equipment, at Historical Cost	1,697,159	1,625,799	16
17	Accumulated Depreciation (book methods)	(1,732,739)	(7,055,656)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (sp See Sch 17A		36,680	22
23	Other(specify):			23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 1,010,241	$ 2,040,616	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 5,696,270	$ 6,724,625	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 610,533	$ 487,169	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	11,061	11,061	28
29	Short-Term Notes Payable	500,000	500,000	29
30	Accrued Salaries Payable	76,116	76,116	30
31	Accrued Taxes Payable (excluding real estate taxes)	12,513	12,513	31
32	Accrued Real Estate Taxes(Sch.IX-B)	400,000	400,000	32
33	Accrued Interest Payable		17,757	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	See Sch. 17A	186,121	186,121	36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 1,796,344	$ 1,690,737	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable		2,396,845	39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$	$ 2,396,845	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 1,796,344	$ 4,087,582	46
47	**TOTAL EQUITY(page 18, line 24)**	$ 3,899,926	$ 2,637,043	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 5,696,270	$ 6,724,625	48

SEE ACCOUNTANTS' COMPILATION REPORT

***(See instructions.)**

Kenwood Healthcare Center
Provider #: 0033589
12/31/04

Schedule 17A

XV. BALANCE SHEET -

Other Current Assets (specify):	Operating	After Consolidation
Due from JLR		123,250
Due from Marvin Needle		4,000
Due from state	29,786	29,786
Real estate tax escrow	88,243	0
Employee loans	2,700	2,700
Short term loan exchange	1,939,946	1,898,919
Due to public aid	474	474
Total Line 9 - Other Current Assets (specify):	**2,061,149**	**2,059,129**

Other Long-Term Assets (specify):	Operating	After Consolidation
Mortgage Costs	0	88,031
Accumulated Amortization	0	(51,351)
Total Line 22 - Other Long-Term Assets (specify	**0**	**36,680**

Other Current Liabilities (specify):	Operating	After Consolidation
Insurance Premiums Payable	2,692	2,692
Reimbursement due	15,085	15,085
Credit union	2,381	2,381
Accrued expenses	78,069	78,069
Short term loan exchange	87,894	87,894
Total Line 36 - Other Current Liabilities (specify)	**186,121**	**186,121**

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total		
1	**Balance at Beginning of Year, as Previously Reported**	$ 3,934,288	1	
2	Restatements (describe):		2	
3			3	
4			4	
5			5	
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ 3,934,288	6	
	A. Additions (deductions):			
7	NET Income (Loss) (from page 19, line 43)	601,638	7	
8	Aquisitions of Pooled Companies		8	
9	Proceeds from Sale of Stock		9	
10	Stock Options Exercised		10	
11	Contributions and Grants		11	
12	Expenditures for Specific Purposes		12	
13	Dividends Paid or Other Distributions to Owners	(636,000)	13	
14	Donated Property, Plant, and Equipment		14	
15	Other (describe)		15	
16	Other (describe)		16	
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ (34,362)	17	
	B. Transfers (Itemize):			
18			18	
19			19	
20			20	
21			21	
22			22	
23	**TOTAL Transfers (sum of lines 18-22)**	$	23	
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ 3,899,926	24	*

Operating Entity Only

*** This must agree with page 17, line 47.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 9,343,933	1
2	Discounts and Allowances for all Levels		2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 9,343,933	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	268,277	6
7	Oxygen	3,764	7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 272,041	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services		21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	100,685	25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 100,685	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Vending Income	450	28
28a	Miscellaneous Income	5,825	28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 6,275	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 9,722,934	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	2,165,069	31
32	Health Care	2,775,329	32
33	General Administration	2,427,725	33
	B. Capital Expense		
34	Ownership	1,447,381	34
	C. Ancillary Expense		
35	Special Cost Centers	131,210	35
36	Provider Participation Fee	174,582	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 9,121,296	40
41	**Income before Income Taxes (line 30 minus line 40)****	601,638	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ 601,638	43

* **This must agree with page 4, line 45, column 4.**

** **Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.**
This entity is a cash basis taxpayer.

*** **See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.** **SEE ACCOUNTANTS' COMPILATION REPORT**

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.**

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)

(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	2,000	2,080	$ 68,363	$ 32.87	1
2	Assistant Director of Nursing	2,660	2,080	53,218	25.59	2
3	Registered Nurses	7,772	8,164	182,380	22.34	3
4	Licensed Practical Nurses	34,472	36,143	723,609	20.02	4
5	Nurse Aides & Orderlies	112,779	119,015	1,113,895	9.36	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	3,539	3,989	50,692	12.71	8
9	Activity Director					9
10	Activity Assistants	12,385	13,114	133,193	10.16	10
11	Social Service Workers	15,856	16,941	162,513	9.59	11
12	Dietician					12
13	Food Service Supervisor	8,103	8,543	133,623	15.64	13
14	Head Cook	3,823	4,040	35,366	8.75	14
15	Cook Helpers/Assistants	34,507	37,183	308,588	8.30	15
16	Dishwashers					16
17	Maintenance Workers	10,138	10,494	127,703	12.17	17
18	Housekeepers	49,162	51,435	412,886	8.03	18
19	Laundry	15,637	16,451	143,792	8.74	19
20	Administrator	2,000	2,080	90,690	43.60	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	45,928	48,836	778,518	15.94	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	360,761	380,588	$ 4,519,029 *	$ 11.87	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant	Monthly	$ 5,399	L1, C3	35
36	Medical Director	Monthly	6,000	L9, C3	36
37	Medical Records Consultant	Monthly	2,250	L10, C3	37
38	Nurse Consultant				38
39	Pharmacist Consultant	383	19,147	L10, C3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant	26	1,481	L10A, C3	41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant				44
45	Social Service Consultant				45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	409	$ 34,277		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses	N/A	$		50
51	Licensed Practical Nurses				51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		$		53

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Ruth Gebert	Administrator	0	$ 90,690
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 90,690

B. Administrative - Other

Description	Amount
Ronnie Klein	$ 210,000
S.W. Management	531,000
TOTAL (agree to Schedule V, line 17, col. 3)	$ 741,000
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
Stone Pogrund & Korey	Legal	$ 8,392
Ashman & Stein	Legal	4,817
Winston & Strawn	Legal	2,250
Allen A. Lefkovitz	Legal	3,402
Real Estate Analysis Corp.		6,500
Sue Meiner	Legal	1,000
Personnel Planners	U/C Consultant	5,321
Frost, Ruttenberg & Rothblatt	Accounting	14,936
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $2500 attach copy of invoices.)		$ 46,618

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 103,291
Unemployment Compensation Insurance	60,623
FICA Taxes	345,534
Employee Health Insurance	35,070
Employee Meals	8,081
Illinois Municipal Retirement Fund (IMRF)*	
Life Insurance	2,405
Uniforms	3,627
Disability Insurance	3,168
Miscellaneous Employee Benefits	35,316
TOTAL (agree to Schedule V, line 22, col.8)	$ 597,115

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
N/A		
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$
Advertising: Employee Recruitment	
Health Care Worker Background Check	
(Indicate # of checks performed)	
Illinois Council on Long Term Care	10,351
Miscellaneous Dues & Subscriptions	45
Inspections	1,058
Miscellaneous Licenses	1,512
Miscellaneous Permits	175
Allocated From Management Co.	199
Less: Public Relations Expense	( )
Non-allowable advertising	( )
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 13,340

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	
Seminar Expense	2,140
Allocation From Management Co.	166
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 2,306

* Attach copy of IMRF notifications

**See instructions.

SEE ACCOUNTANTS' COMPILATION REPORT

Kenwood Healthcare Center
Provider #: 0033589
01/01/04 to 12/31/04 **Schedule 21A**

XIX. SUPPORT SCHEDULE
C. Professional Services

Total (agree to Schedule V, line 19, column 3)	46,618
Allocated from KTNC Associates	
Accounting - Frost, Ruttenberg & Rothblatt	1,528
Allocated from Management Company	
Legal	40,244
Accounting - Frost, Ruttenberg & Rothblatt	1,500
Professional Services Disallowed	(8,316)
Legal Fees Reclassified to Real Estate Taxes	(9,902)
Total (agree to Schedule V, line 19, column 8)	71,672

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
1			$		$	$	$	$	$	$	$	$	$
2													
3													
4			N/A										
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$		$	$	$	$	$	$	$	$	$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 01/01/04 Ending: 12/31/04

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **Yes**

(2) Are there any dues to nursing home associations included on the cost report? **Yes**
If YES, give association name and amount. **IL Council on Long Term Care - $10,351**

(3) Did the nursing home make political contributions or payments to a politica
action organization? **No** If YES, have these costs
been properly adjusted out of the cost report? **N/A**

(4) Does the bed capacity of the building differ from the number of beds licensed at the
end of the fiscal year? **No** If YES, what is the capacity? **N/A**

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period? **10Yrs.**

(6) Indicate the total amount of both disposable and non-disposable diaper expense
and the location of this expense on Sch. V. $ **N/A** Line **N/A**

(7) Have all costs reported on this form been determined using accounting procedures
consistent with prior reports? **Yes** If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? **No**
If YES, give effective date of lease. **N/A**

(9) Are you presently operating under a sublease agreement? ____ YES **X** NO

(10) Was this home previously operated by a related party (as is defined in the instructions for
Schedule VII)? YES **X** NO ____ If YES, please indicate name of the facility,
IDPH license number of this related party and the date the present owners took over
KTNC Associates

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department
of Public Aid during this cost report period. $ **174,582**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V
for an individual employee? **No** If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

(13) Have costs for all supplies and services which are of the type that can be billed to
the Department of Public Aid, in addition to the daily rate, been properly classifiec
in the Ancillary Section of Schedule V? **Yes**

(14) Is a portion of the building used for any function other than long term care services for
the patient census listed on page 2, Section B? **No** For example,
is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach
a schedule which explains how all related costs were allocated to these functions

(15) Indicate the cost of employee meals that has been reclassified to employee benefits
on Schedule V. $ **8,081** Has any meal income been offset against
related costs? **No** Indicate the amount. $ **N/A**

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for
residents? **No** If YES, please indicate the amount of income earned from such a
program during this reporting period. $ **N/A**
c. What percent of all travel expense relates to transportation of nurses and patients? **N/A**
d. Have vehicle usage logs been maintained? **Adequate records have been maintained.**
e. Are all vehicles stored at the nursing home during the night and all other
times when not in use? **N/A**
f. Has the cost for commuting or other personal use of autos been adjusted
out of the cost report? **N/A**
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such
transportation during this reporting period. $ **N/A**

(17) Has an audit been performed by an independent certified public accounting firm? **No**
Firm Name: **N/A** The instructions for the
cost report require that a copy of this audit be included with the cost report. Has this copy
been attached? **N/A** If no, please explain. **N/A**

(18) Have all costs which do not relate to the provision of long term care been adjusted ou
out of Schedule V? **Yes**

(19) If total legal fees are in excess of $2500, have legal invoices and a summary of services
performed been attached to this cost report? **Yes**
Attach invoices and a summary of services for all architect and appraisal fees.

	Salaries	Supplies	Other	Total	Reclass-ifications	Reclassified Total	Adjustments	Adjusted Total
1. Dietary	477,577	31,193	5,399	514,169	0	514,169	0	514,169
2. Food Purchase	0	478,898	0	478,898	0	478,898	-14,309	464,589
3. Housekeeping	412,886	80,372	0	493,258	0	493,258	181	493,439
4. Laundry	143,792	24,666	0	168,458	0	168,458	0	168,458
5. Heat and Other Utilities	0	0	260,654	260,654	0	260,654	3,942	264,596
6. Maintenance	127,703	101,652	20,277	249,632	0	249,632	1,120	250,752
7. Other (specify)*	0	0	0	0	0	0	0	0
8. Total General Services	1,161,958	716,781	286,330	2,165,069	0	2,165,069	-9,066	2,156,003
9. Medical Director	0	0	6,000	6,000	0	6,000	0	6,000
10. Nursing & Medical Records	2,192,157	23,625	21,397	2,237,179	0	2,237,179	1,920	2,239,099
10a. Therapy	0	0	233,403	233,403	0	233,403	0	233,403
11. Activities	133,193	3,041	0	136,234	0	136,234	0	136,234
12. Social Services	162,513	0	0	162,513	0	162,513	0	162,513
13. Nurse Aide Training	0	0	0	0	0	0	0	0
14. Program Transportation	0	0	0	0	0	0	0	0
15. Other (specify)*	0	0	0	0	0	0	0	0
16. Total Health Care & Programs	2,487,863	26,666	260,800	2,775,329	0	2,775,329	1,920	2,777,249
17. Administrative	90,690	0	741,000	831,690	0	831,690	-309,579	522,111
18. Directors Fees	0	0	0	0	0	0	0	0
19. Professional Services	0	0	46,618	46,618	0	46,618	25,054	71,672
20. Fees, Subscriptions & Promotion	0	0	13,075	13,075	0	13,075	265	13,340
21. Clerical & General Office	778,518	0	104,837	883,355	0	883,355	168,341	1,051,696
22. Employee Benefits & Payroll	0	0	589,034	589,034	0	589,034	8,081	597,115
23. Inservice Training & Education	0	0	0	0	0	0	0	0
24. Travel and Seminar	0	0	2,140	2,140	0	2,140	166	2,306
25. Other Admin. Staff Trans	0	0	27,253	27,253	0	27,253	563	27,816
26. Insurance-Prop.Liab.Malpractice	0	0	34,560	34,560	0	34,560	2,666	37,226
27. Other (specify)*	0	0	0	0	0	0	28,986	28,986
28. Total General Adminis	869,208	0	1,558,517	2,427,725	0	2,427,725	-75,457	2,352,268
29. Total General Administrative	4,519,029	743,447	2,105,647	7,368,123	0	7,368,123	-82,603	7,285,520
30. Depreciation	0	0	115,861	115,861	0	115,861	193,810	309,671
31. Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0
32. Interest	0	0	854	854	0	854	135,907	136,761
33. Real Estate	0	0	327,915	327,915	0	327,915	18,189	346,104
34. Rent - Facility & Grounds	0	0	986,592	986,592	0	986,592	-986,592	0
35. Rent - Equipment & Vehicles	0	0	16,159	16,159	0	16,159	2,950	19,109
36. Other (specify):*	0	0	0	0	0	0	0	0
37. Total Ownership	0	0	1,447,381	1,447,381	0	1,447,381	-635,736	811,645
38. Medically Necessary T	0	0	0	0	0	0	0	0
39. Ancillary Service Cent	0	31,839	0	31,839	0	31,839	0	31,839
40. Barber and Beauty Shop	0	0	0	0	0	0	0	0
41. Coffee and Gift Shops	0	0	0	0	0	0	0	0
42	0	0	174,582	174,582	0	174,582	0	174,582
43. Other (specify):*	0	0	99,371	99,371	0	99,371	-99,371	0
44. Total Special Cost Ce	0	31,839	273,953	305,792	0	305,792	-99,371	206,421
45. Grand Total	4,519,029	775,286	3,826,981	9,121,296	0	9,121,296	-817,710	8,303,586

	Operating	After Consolidation
General Service Cost Center		
1. Cash on hand and in banks	1,500	1,500
2. Cash - Patient Deposits	6,359	6,359
3. Accounts & Notes Recievable	2,582,942	2,582,942
4. Supply Inventory	0	0
5. Short-Term Investments	0	0
6. Prepaid Insurance	34,079	34,079
7. Other Prepaid Expenses	0	0
8. Accounts Receivable-Owner/Related Party	0	0
9. Other (specify):	2,061,149	2,059,129
10. Total current assets	4,686,031	4,684,009
LONG TERM ASSETS		
11. Long-Term Notes Receivable	0	0
12. Long-Term Investments	0	0
13. Land	70,784	335,784
14. Buildings, at Historical Cost	0	5,300,000
15. Leasehold Improvements, Historical Cost	975,037	1,798,009
16. Equipment, at Historical Cost	1,697,159	1,625,799
17. Accumulated Depreciation (book methods)	-1,732,739	-7,055,656
18. Deferred Charges	0	0
19. Organization & Pre-Operating Costs	0	0
20. Accum Amort - Org/Pre-Op Costs	0	0
21. Restricted Funds	0	0
22. Other Long-Term Assets (specify):	0	36,680
23. other (specify):	0	0
24. Total Long-Term Assets	1,010,241	2,040,616
25. Total Assets	5,696,272	6,724,625
CURRENT LIABILITIES		
26. Accounts Payable	610,533	487,169
27. Officer's Accounts Payable	0	0
28. Accounts Payable-Patients Deposits	11,061	11,061
29. Short-Term Notes Payable	500,000	500,000
30. Accrued Salaries Payable	76,116	76,116
31. Accrued Taxes Payable	12,513	12,513
32. Accrued Real Estate Taxes	400,000	400,000
33. Accrued Interest Payable	0	17,757
34. Deferred Compensation	0	0
35. Federal and State Income Taxes	0	0
36. Other Current Liabilities (specify):	186,121	186,121
37. Other Current Liabilities (specify):	0	0
38. Total Current Liabilities	1,796,344	1,690,737
LONG TERM LIABILITES		
39.Long-Term Notes Payable	0	2,396,845
40.Mortgage Payable	0	0
41.Bonds Payable	0	0
42.Deferred Compensation	0	0
43.Other Long-Term Liabilities (specify):	0	0
44.Other Long-Term Liabilities (specify):	0	0
45.Total Long-Term Liabilities	0	2,396,845
46.Total Liabilities	1,796,344	4,087,582
47.Total Equity	3,899,928	2,637,043
48.Total Liabilities and Equity	5,696,272	6,724,625

	Balance per Medicaid Trial Balance
1. Gross Revenue - All levels of Care	9,343,933
2. Discounts and Allowances for all Levels	0
Subtotal - Inpatient Care	9,343,933
4. Day Care	0
5. Other Care for Outpatients	0
6. Therapy	268,277
7. Oxygen	3,764
Subtotal - Anciliary Revenue	272,041
9. Payments for Education	0
10. Other Governmental Grants	0
11. Nurses Aide Training Reimbursements	0
12. Gift and Coffee Shop	0
13. Barber and Beauty Care	0
14. Non-Patient Meals	0
15. Telephone, Television, and Radio	0
16. Rental of Facility Space	0
17. Sale of Drugs	0
18. Sale of Supplies to Non-Patients	0
19. Laboratory	0
20. Radiologyand X-Ray	0
21. Other Medical Services	0
22. Laundry	0
Subtotal - Other Operating Revenue	-
24. Contributions	0
25. Interest and Other Investments Income	100,685
Subtotal - Non-Operating Revenue	100,685
27. Other Revenue (specify):	
28. Other Revenue (specify):	450
Subtotal - Other Revenue	5,825
30. Total Revenue	9,722,934
31. General Services	2,165,069
32. Health Care	2,775,329
33. General Administration	2,427,725
34. Ownership	1,447,381
35. Special Cost Centers	131,210
35. Provider Participation Fee	174,582
37. Other	0
40. Total Expenses	9,121,296
41. Income Before Income Taxes	601,638
42. Income Taxes	0
43. Net Income or Loss for the Year	
43. Net Income or Loss for the Year	601,638